

SOLIDARITY

Campaigning to break the unions from 'Social Partnership'



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Issue 9 June - August 2003

Blair - a junior partner of American imperialism

"Foundation hospitals will kill the NHS"

FBU dispute NHS "Agenda for Change"

Ending Labour's political monopoly?

Union Strategy against a Corporate Europe

Israel - "the Thatcherite turn" SSP electoral success

SOLIDARITY

A new publication for union members and activists, campaigning in the Trades Unions for:

- A break from the 'social partnership' approach which ties the unions to the coat-tails of the employers.
- A 'new unionism' which opposes subordination to the 'global market' and campaigns for a practical working class internationalism, building on the experience of the Liverpool dockers.
- Opposition to privatisation, whether outright, or in the form of PFI or PPP, and popularisation of the idea of social ownership.
- A trades unionism which, whilst fighting to improve working conditions and wages, breaks with the narrow workplace concerns of 'non-political' trade unionism, and fights for the interests of the working class and oppressed as a whole.
- Repeal of all anti-union legislation and an end to state interference into the unions.
- An end to all bureaucratic privileges and control of the unions.

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'A junior partner of American imperialism'

Whilst the anti-war movement could not stop the attack on Iraq, the international mobilisation of some of the biggest demonstrations ever seen (including the 1.5-2 million in London) was an unprecedented event. The development of this movement was connected with the growing anti-globalisation movement. The February 15th international day of action was originally proposed by the European Social Forum which met in Florence last November.

The connection of the anti-war movement and the anti-globalisation campaign reflects the growing consciousness of millions of people that war is connected with the pillage of the planet by the giant corporations who are now being doled out the contracts by their friends in the Bush administration, for 'rebuilding' Iraq.

In the USA a discussion has begun in the union campaign against the war (see page 8) on its future. They have recognised the connection between domestic and foreign policy; "the labour movement cannot effectively defend working families in the USA if it does not challenge the US assault on working families abroad."

In the article by Asbjorn Wahl (page 9) he speaks of the potential for an alliance between the trades unions and the anti-globalisation movement: "the two movements could reinforce each other and bring the struggle to a higher level." But for that to happen the unions have to break with the politics of neo-liberalism, whether in their US or Blairite version.

Whilst the opposition to the war by most unions in Britain was a step forward, the very same leaders who denounced the adventure in Iraq, equivocate over the programme of the Blair government at home. Derek Simpson of Amicus, for instance, recently declared that the Blair government was not "the evil empire" that some on the left insisted. On the contrary, the Blair government, is, as disappointed Blairite, Will Hutton, recently described it, a US satrap. The Blair government is a junior partner in the efforts of American imperialism to impose on the world a system over which it lords it as the world's policeman.

In the last issue of **SOLIDARITY** we reported on the Project for the New American Century, the think tank which produced a programme for the incoming Bush government. The aim of this programme is to reinforce the US role as "the world's only superpower". A massive increase in spending on arms is combined with cuts in social programmes at the time when many US states are verging on bankruptcy.

The 'free market' programme which New Labour has adopted reinforces this trend of lining the pockets of the big corporations and the rich, at the expense of the working class and the poor. The government's infatuation with privatisation is reflected in its moves within the NHS, where it is now introducing a market in which private healthcare has a central place (see page 4).

The crisis in relations between the unions and New Labour, deepened by the war and its 'reform' of the public sector, is reaching the point where a break with the party which the unions built, is a real possibility. But it is not just a question of an organisational breach, but a political break with its programme, with which the unions have compromised. If they are to play a central role in building a political alternative to New Labour, then it is necessary to recognise the need for an anti-capitalist course, and an alliance not with British employers but with workers throughout the world. A clean break with the Blair government's programme, home and abroad is the pre-condition of such a course.

Lunatics in charge of the asylum

It is said that fact is stranger than fiction. In Stanley Kubrick's 1963 film, *Dr Strangelove*, the character General Buck Turgidson, speaking of a nuclear conflict with the Soviet Union, says: "I'm not saying we won't get our hair mussed up...maybe ten to twenty million dead, tops....if we get the breaks".

Fast forward to 1980. A young Keith Payne, writing in "Foreign Policy", in an article entitled, "Victory is Possible", said that: "an intelligent US offensive (nuclear) strategy, wedded to homeland defenses, should reduce US casualties to approximately 20 million...a level compatible with national survival and recovery." He was no doubt counting on a place in the bunker.

The maturing Payne, now President of the National Institute for Public Policy, writing in "Nuclear Weapons: Ours and Theirs" in 1999, bemoans the "serious challenge" to US nuclear forces from the "anti-nuclear lobby". He opposes any reduction in the US's nuclear weapons arsenal.

On to 2001. Payne's "Rationale and Requirements for US Nuclear Forces and Arms Control", was written for the incoming Republican government.

"Maintain the de jure prerogative"

"Rather than focusing on the codification of a specific numeric goal expected to be valid over time, it would be wise for the United States to maintain the de jure prerogative to adjust its nuclear force structure to coincide with changes in strategic requirements. Legal flexibility alone, however, is of little value if the US production infrastructure does not allow Washington to design and build new types of weapons as necessary and in a timely fashion. Restarting production of a weapons system let alone designing, testing, and building a system from scratch after the production infrastructure has atrophied, is a complex endeavor that, if possible, would take many years. If the international security environment were to deteriorate rapidly, the United States could face years of mismatch between need and capability."

Maintaining the legal prerogative and de facto capability to match nuclear capabilities with need over the long term is vital, and the absence of either could endanger national security and international stability."

Hence the document raised the prospect of new, specially tailored nuclear weapons.

May 9th, 2003. The Senate Armed Services Committee votes to repeal a ten year ban on the research and development of "low-yield" nuclear weapons - those having an explosive power smaller than 5 kilotons. The Bush administration lobbied heavily for the repeal.

A key figure in this change is Keith Payne. He is deputy assistant secretary of defense for "forces policy"- essentially, the Pentagon's top civilian official assigned to the development, procurement, planning, and possible use of nuclear weapons. Employed by the Bush administration. He is the Pentagon's civilian liaison with the nuclear-war planning staff at the Strategic Command in Omaha, Nebraska. He will be doling out the contracts for arms spending of \$400 billion dollars, rising to \$500 billion in the next 5 years.

The lunatics are truly in charge of the asylum.

“Foundation Hospitals will kill the NHS”

Alistair Darling has the cheek of old Nick. Foundation hospitals, he tells us are “a new Form of public ownership” and “local democracy”. He is trying to pull the wool over our eyes. When PFI was initially launched by Blair’s government we were told, don’t worry it won’t affect medical services. Since then the government has signed a “concordat” with the private sector. This was supposedly a measure to take advantage of empty private sector beds in the face of an NHS beds crisis. But we were told: “The concordat” is intended to be the start not the end of a more constructive relationship.”

Then we heard that the new diagnostic centres would be built and run by private health care providers. The government has now invited international private health providers, including some of the most disreputable of US companies to put in their bids.

The NHS was founded to provide universal health care, free at the point of delivery. What the government is now introducing is *competition* between different health trusts *and the private sector*. This is what they mean by “a mixed economy”.

Foundation hospitals will not only be able to borrow private money, they will be able to form companies with the private sector. Since they will be able to keep any profits, inevitably they will tend to decide (using “local autonomy”) what activities they can carry out and what ones they cannot.

Milburn says there will be a ‘core’ service, but outside of that, Foundation hospitals will be able to dump some activities, forcing patients to look elsewhere.

All this is posed in terms of “patient choice”. But a sick person does not want to chose a hospital. They want to be able to be treated in their locality, not have to travel long distances.

The government in “rewarding success” will create a situation where more money goes to the Trusts with more resources. Just as “parent choice” has led to the enriching of some schools and the impoverishment of others, we will be faced with “sink hospitals” just like “sink schools”. This “competition” will not drive up “performance” but will lead, like all markets, to the creation of winners and losers.

The government’s measure of “success” is crude and does not take account of social conditions in the hospital catchment areas. It poses as the supporter of “local autonomy” yet they will hold onto the power to impose private companies on “failing hospitals”.

Far from reintroducing “market discipline” the NHS needs to be freed from competition. Instead of opening up healthcare to big business to make a fast buck, we want a *national* health service which strives to remove regional inequalities. In contrast the government’s policy will worsen inequalities in provision of service.

The NHS, despite its weaknesses, gave us a glimpse of a society in which wealth did not determine whether or not you received health care as it did before the Second World War. Its main weakness lay in the compromise with the medical hierarchy which meant that there was no democracy within the system. Staff were neither consulted nor did they have any control. Add to that the fact that the service has been drained for years by the profiteering drug companies, and now profits are being squeezed out of the service by way of PFI.

In defending Milburn’s proposals on Foundation hospitals, the reverend Blair made an interesting analogy. He said that the Labour Party had made a big mistake by opposing the sell off of Council Housing, and it must not make the same mistake today.

So the selling off of Council Houses has been a big success? It has been a social disaster for working people. Individuals may have made a fast buck, as houses were given away incredibly cheap. But as a result of privatisation there developed a terrible shortage of affordable housing, which the private sector will not provide. Young people especially cannot afford the grossly inflated housing prices.

Blair says Labour “lost contact with the aspirations of its supporters”. This was not true. So cheap were these houses offered that it appeared more expensive to pay the rent than to buy the property. But the Labour Party was the product of working people organising for their *collective* interests. It is no more ‘natural’ for people to want to own a home than it is for them to want ‘choice’ in health provision.

Blair and his cronies have fallen in love with ‘the market’ and they want to introduce it to the NHS. The Prime Minister seems to like

What is needed is to prepare the ground for *national action to challenge the government’s agenda*.

all things American. Yet a cursory glance at health care in the USA, where the market is king, shows private companies earning big fortunes at the expense of the population, where health insurance is very expensive. And more than 40 million people are left without health insurance.

Those who support the NHS as *collective provision* need to campaign against the government’s privatisation agenda. Foundation hospitals are just the latest step to the introduction of the profit motive into health care. The government is destroying the service introduced by Labour after the Second World War. What is required is co-operation rather than competition and a democracy of service providers and users.

For too long the trade union leaders compromised with the Blair government. They accepted the “concordat” as a short term measure when it was nothing of the sort. It is now clear that the government is destroying the health service. The unions have condemned Foundation hospitals but what will they do to try, to block these proposals? They left their members to resist PFI isolated in their locality. What is clearly needed is to prepare the ground for *national action to challenge the government’s agenda*. Could the unions not help to create, with the help of service users, and all those who want to defend the NHS, a Health equivalent of the Defend Council Housing Campaign, which has successfully united tenants and Council workers?

As Allyson Pollock has written in the Guardian: “Foundation hospitals will kill the NHS.” It is necessary to respond will all due haste and seriousness, not just words.

Read Allyson Pollock on Foundation hospitals and PFI at: www.ucl.ac.uk/spp/about/health_policy/new.php

Throw out the “draft agreement”

At the March 19th special conference of the FBU the “final offer” of the employers was overwhelmingly rejected, against the recommendation of acceptance by the executive. **Matt Wrack**, FBU London Region Organiser explained why it was rejected:

“Of particular concern were the strings attached. These were to end all current national agreements on hours of work and duty systems and give the right of individual fire brigades to introduce their own duty systems at each separate location if they so choose. This would include an obligation on individual firefighters to work anywhere, at any time, on any duty within their competence, as determined by the fire authority. There was to be complete flexibility of the workforce.

No details were specified. We were to sign up only to the employers' right to make these changes. This would allow the watch system to be ended, although the employees denied this would necessarily be the case. Their position is that the best person, for example, to decide the most suitable system for the London fire brigade is the London fire brigade chief officer rather than the national employers.

There was no provision for national negotiations. Under the current dispute procedure, with its status quo provision, and so on, there is some protection, but now proposing that both sides would have to agree before the disputes procedure could operate effectively a veto. So it was not about negotiation but the employer's right to implement.”

A worse agreement

Now, with the latest “draft agreement”, Gilchrist and the executive are recommending that the members accept a worse agreement than the one which the conference overwhelmingly rejected in March.

It specifically states, for instance that the FBU will abandon its opposition to pre-arranged overtime. In place of the 42 hour week management have proposed an “average” 42 hour week. It allows pre-arranged overtime of up to 24 hours a month *averaged over six months!* Whole time or part-time staff on the existing duty systems (the standard is the 42 hour week) will be “free to undertake retained duties where appropriate”. There is no definition of “where appropriate”.

The FBU's pamphlet on the issues behind the dispute states:



“There would only be a need for 'pre-arranged' overtime to be worked when fire brigades are not employing the correct number of firefighters required to maintain operational availability of fire appliances at all times. In order to introduce 'pre-arranged' overtime into the Fire Service, it can be seen that the establishment (number of firefighters employed) would have to be reduced first i.e. jobs would have to go.”

Yet the leadership now wants to abandon the principle, despite the job implications!

The document explicitly states that the “determination of the number of personnel” is a matter of “consultation” which “does not require any formal collective agreement”. *It “cannot be a matter for the disputes procedure.”*

Integrated Risk Management Plan

“The Integrated Risk Management Plan, including the determination of the number of personnel on duty at each location at different times of the day, is a decision for the fire authority, having consulted with the appropriate parties. It does not require any formal collective agreement, as at present for Section 19 applications, *cannot be a matter for the disputes procedure.*”

These Integrated Risk Management Plans are to replace national minimum standards, for instance in 999 call response times. The news of these, which emerged as a result of the leaking of draft guidelines sent to Councils, elicited the following response from the FBU.

“The FBU warns today that plans to remove the national safety net for fire service 999 call response times is paving the way for the biggest cuts ever seen in a public service. New draft guidelines which signal the move have been sent privately to local councils across the UK with Councils told to set their own standards at local level.

“The whole exercise is underpinned by moves to cut the number of firefighters and emergency control staff by between 10 and 20%. Local council employers have

made clear in writing that they are looking for at least 5,000 job losses across the UK fire service. Job losses as high as 10,000 have also been mooted in a workforce of only 55,000.

The union warns these moves pave the way for the reduction of safety cover to dangerous levels.”

Despite these words the union leadership now appears to want to leave their members to resist job cuts on the local level.

“Technical Advisory Panel”

Where there is a failure to agree on changes to duty systems this can be referred to a “Technical Advisory Panel” which will comprise one from each side plus an “independent expert”. The text says they will try to reach agreement, but if they can't then they will make a recommendation (presumably a majority of 2 will issue this). However, the document is completely silent on what happens next.

In practice if this draft were to be agreed it would leave FBU members to resist job losses on the local level. It would open the way to destroying the national unity of the union.

So far as the money is concerned the only thing which is guaranteed is 4%. The rest depends upon subsequent agreement.

No doubt Gilchrist will argue that if this deal is not accepted then the government will use its recent legislation, hanging like the sword of Damocles over the heads of the service. However, this deal should be rejected for what it represents: a capitulation to the government's 'modernisation' (that is, cuts) agenda.

National Unity

The strength of the FBU lies in its national unity, based on national conditions of service. Acceptance of this deal will leave branches to their own devices. But what is the alternative? What of the threat from Prescott and his legislation to take over the direction of the service?

If the FBU were to appeal for support from the rest of the labour movement, to support their struggle, which has now shifted from the issue of wages, to a defence of service provision, then strike action can still open up the prospect of forcing the government to retreat. The FBU leadership's proposal to accept this latest “draft agreement” is simply a recipe for defeat.

Reject 'Agenda for Change'

The UNISON leadership has recommended acceptance of the 'Agenda for Change' in the NHS. Below we reproduce a Statement by Members of the 'Minority' Group on Health Service Group Executive, calling for a campaign against this deal.

The Health Service Group Executive (SGE) on 7th March 2003 voted overwhelmingly not to recommend acceptance of Agenda For Change. But rather than take the plunge and recommend outright rejection, they went for a 'middle way'. The SGE decided to recommend two ballots for members. To do this they gambled and read between the lines of a letter from a civil servant. This was claimed to mean there could be renegotiation of some parts of AFC during the 'early implementation' period though it has been emphasised that this does not open up the whole package to renegotiation. If the SGE recommendation is accepted, the first ballot will take place after our April Special Conference session. The SGE wants conference to recommend acceptance of the 3 year 10% pay offer for non-PRB staff and to allow the early implementers to go ahead as 'development sites'. The second ballot of members should be after a review of the early implementers in 2004, on whether AFC should then go ahead.

'Middle way'

Over one third (14 out of 37) of the delegates at the SGE meeting voted against that 'middle way' position, and argued for full rejection. Both the Ancillary and Admin & Clerical Sectors had previously voted to recommend rejection; it's a poor deal for their members.

Dave Prentis has since called the SGE's recommendation a 'mature decision'. But for the minority against, it was a fudged decision, hasty and ill-thought through.

There are no answers to questions such as:

- Since Milburn had said we had to take or leave the whole package, will he agree to change AFC in line with the SGE's recommendation?
- Will the government take any notice of a second ballot, or would they see acceptance of early implementers as a green light for AFC as a whole?
- If a second ballot takes place, and rejects AFC, what will happen to staff who had been in the early implementers - could they come back to Whitley or will they be stuck with AFC?

d) What about our Health Conference policy of going for, at least partially, flat-rate pay rises, in order to help the lowest paid?

The main arguments against AFC are:

It doesn't deal with the problem of low pay: the new minimum of £5.17 an hour is way below the Council of Europe's decency threshold (currently about £7.80).

It doesn't cover privatised staff unless they are on the equivalent of Whitley contracts.

It will lead to a significant number of people losing pay - because they end up in a lower pay band than now and/or because of cuts in unsocial hours and overtime payments.

It offers a very poor protection agreement for those who would lose pay just one year's full protection and then a few years on a 'mark time' basis (a pay cut because it means no annual pay rises).

It increases working hours for a many groups of staff up to a standard 37.5, while phasing in the reduction in hours for Ancillary and Ambulance workers.

Too much will be left to local negotiation.

It allows Foundation Hospitals, and 'three star' Trusts, to develop their own pay and conditions packages on top of AFC so breaking down the new national pay structure even before it's been established. Milburn says that all Trusts could have Foundation status in a few years. If they do, it would mean as many different pay structures as there were Trusts. If they don't it would mean that so-called poorer performing Trusts would lose staff to those that paid more, agency costs and staffing problems could spiral, and the result could be virtual bankruptcy, with new management or a private company drafted in to take it over. We will then be further down the road to privatisation by stealth.

Local pay

Local pay will also develop via add-ons such as Recruitment and Retention premia for various groups and the use of pay supplements in high cost areas.

It allows managers to block pay increments for staff who are having difficulties in fulfilling all the requirements of their job.

It paves the way for 'modernisation' which

downgrades jobs and pushes extra skills and responsibilities onto lower graded staff.

Regional Health Committees are beginning to realise the shortcomings of AFC. Two have already voted to reject AFC; Scotland and South West. Other Regional Health Committees have not yet made formal decisions. A motion from the Wales RHC calling on the SGE to withdraw the emergency motion on the 'middle way' was not even formally considered by the SGE on 26th March.

If a first ballot does allow early implementers to go ahead and to accept the three year pay deal, then it is extremely unlikely that we would be able later to turn the juggernaut of AFC around. There is no guarantee that the government would take any notice of a second ballot. At the SGE meeting on 26th March we asked for minutes or details of meetings to prove that the govt would respond positively to the 'middle way' if we vote for it. None was forthcoming.

There Is An Alternative - We must reject Agenda For Change

The UNISON SGE has already agreed that we should put in a pay claim for non-PRB staff, of £2,000 or 10% (whichever is greater) and 35 hour week, but we have to wait for agreement from all the other unions before this can be submitted. Evidence to support a similar pay rise for PRB staff has been submitted to the Pay Review Body.

Across the country where groups of staff, such as medical secretaries, nursing auxiliaries and porters, have campaigned and taken industrial action over regrading claims they have won. In Carlisle a long campaign over 'equal pay for work of equal value' is nearing a successful conclusion, with big pay rises due to several groups of staff. In Scotland, low paid health workers in ancillary and admin & clerical jobs have already concluded a deal giving a minimum wage higher than AFC is offering.

So, there is an alternative. A committed national leadership and vigorous campaigning in branches could win a much better deal for all health workers.

Signed: Yunus Bakhsh, Caroline Bedale, Zena Dodgson, Betty Ferguson, Christine Hutchinson, Trevor Kenworthy, Mark Ladbrooke, Mark New, Anthea Parsons, Ian Thomas, Angie Thompson

Ending Labour's political monopoly?

Martin Wicks reports on developments on the issue of political funds in the unions.

Whilst we were waiting upon events in the RMT and FBU, in relation to the political fund, delegates at the AGM of Broadcasting union BECTU, passed a resolution calling for the union to investigate organisations and individuals who might more adequately represent the interests of their members in parliament. They also voted for a referendum of members on whether or not to continue with the affiliation to the Labour Party. (See the full resolution on page 19) BECTU's web site reported:

"BECTU will now begin an examination of political parties and individuals who could be offered as an alternative voice to Labour, but remains affiliated to the party until a future ballot of members decides whether or not to cut the link."

Meanwhile, the RMT AGM at the end of June could be a watershed for the union, and conceivably for the trade union movement. The union's executive committee has passed a constitutional amendment for debate which could end the monopoly of political support for the Labour Party. Although the amendment reaffirms affiliation to the Labour Party, it would enable branches and Regions to seek the agreement of the Executive to support candidates other than Labour Party ones, in local and national elections.

The pro-Labour section of the Executive did not oppose this amendment, which would have meant opposing the General Secretary. Their calculation is undoubtedly that they will try to frustrate its practical implementation when branches seek permission to support non-Labour candidates.

Such a constitutional change, despite reaffirming Labour Party affiliation would, if enacted, lead to a clash with the Labour apparatus. The 'crime' of support for a candidate standing against a Labour one, faces the sanction of expulsion.

Expulsion?

How will the Labour apparatus respond to this? It could expel the union if the resolution is passed, though it is unlikely to take this tactical option. It could warn the union that if the resolution is implemented then it will face expulsion, and then seek to organise a campaign amongst the membership to stop the breach. But it would have to turn a blind eye to RMT support for John Marek, ex-Labour MP for Wrexham, expelled for

deciding to stand as an independent in the election for the Welsh Assembly, after being deselected by the local party. Marek defeated the Labour candidate and was elected to the Welsh Assembly, although the media has not picked up the RMT's support for him.

With the General Secretary moving the constitutional amendment, it is likely to be passed, owing to the groundswell of disgust with New Labour amongst the activists. But a decision by the executive and by the AGM will not automatically mean that a campaign to support candidates who support the unions' policies and the struggles of its members, will involve wide layers of the membership. This will only be achieved if we campaign throughout the union for such a new course.

It would be easy in some areas to win a position in branch meetings, for support for non-Labour candidates. But we have to have a wider vision than winning a position in the normal structures of the union. We have to take the campaign to the membership, and build as wide a base of support for taking advantage of this constitutional change. Rest assured that the pro-Labour wing will fight to preserve the link with the Party. The logic of supporting other candidates will inevitably pose a break with the Labour Party, even if they decide on the divorce.

Prevent the contagion spreading

If the change goes through the New Labour apparatus and their supporters in the unions would seek to isolate us, and try to prevent the contagion spreading. We would therefore have to move quickly to build support for our position amongst the other unions.

Of course, the strongest argument of the pro-Labour apparatus in the unions is the absence of a governmental alternative (save for the Tories) to New Labour. That is why we cannot shirk the need to campaign for a socialist alternative. We have seen in Scotland the possibilities in the recent success of the Scottish Socialist Party, which increased their members in the Scottish Parliament from one to six.

In the RMT there needs to be a concerted campaign to take advantage of the passing of the constitutional amendment. The more branches and regions that move swiftly to stand or support socialist candidates, or campaigners against privatisation, the more difficult will it be to block the



implementation of constitutional change. RMT branches will then be able to approach other unions and campaigners in their localities, so that the standing of alternative candidates is connected with the many struggles of the working class, against the various forms of privatisation, cuts in services etc. In this way, the struggle for a political alternative to New Labour might be developed in a more organic way, than a regroupment of left organisations, and left activists.

Why do the union leaders (there are some exceptions, of course) refuse to denounce the whole political direction and rationale of this government? Because so totally counter-posed are the interests of their members and the political direction of the government that they are frightened of the consequences of an open struggle: a political breach between the unions and New Labour.

A socialist alternative

Given the bureaucratic nature of the unions in Britain, this process may be convoluted and complex. What is required, however, is a political break not only from New Labour, but from the methods of the trade union bureaucracy, which has sought an alliance with British Capital to compete 'successfully' in the global market place.

Such a break is not just to provide somebody better to vote for. A socialist alternative is necessary in order to overcome the obstacles which have obstructed the struggles of the working class.

The struggle for membership control of the unions and their transformation into instruments for our struggle against capitalism, rather than organisations which aim only to improve the conditions of life under this system, is tied to the building of a political alternative to New Labour.

With the BECTU decision and the forthcoming RMT AGM, we may be in a position where we take the process forward in a practical way, rather than as an abstract idea. The FBU conference has been postponed, partly through fear of a break from Labour. We shall see whether other surprises await us in the coming round of union AGMs. What is required in the autumn, when we will know the results of these conferences, is some co-ordination across the unions of all those forces striving for a political break with New Labour.

End the US occupation of Iraq

Below we reproduce extracts from a report on the discussion of the future of the US labor movement anti-war campaign.

Thirty-one trade unionists, representing a broad cross-section of the US labor movement, met on April 26 to consider the question: Should USLAW continue now that the war on Iraq is an accomplished fact? If so, on what basis and with what mission, and what should the next steps be?

The meeting was convened by the Continuations Committee, the leadership group mandated at the Jan. 11 founding of USLAW. The CC invited a broader group of trade unionists to attend the April 26 meeting to gain a wider range of viewpoints on the question of USLAW's future.

During an intense day of discussion, the participants decided that a coalition like USLAW does need to continue within the US labor movement to draw the connection between the militarization of US foreign policy and its consequences for working families here at home: the erosion of civil rights and civil liberties and cuts in funding for education, health care, housing, veterans benefits, and other public services. While labor as a whole can be expected to expose the anti-worker, anti-labor policies of the Bush administration, USLAW's unique contribution will be to connect this to its foreign policy of preemptive war and conquest abroad in the service of corporate interests and its abandonment of international peacekeeping and human rights institutions.

USLAW will make the case that the nation cannot have both guns and butter and that the labor movement cannot effectively defend working families in the US if it does not challenge the US assault on working families abroad.

The decisions made on April 26 include:

1. That USLAW calls for an end to the US occupation of Iraq and, instead, for reconstruction of that war-devastated country under the auspices of the UN.
2. That USLAW will issue a Call to a National Labor Assembly for peace, security, prosperity and justice on Oct. 24 and 25, 2003 in Chicago to establish an ongoing coalition of labor organizations dedicated to challenging the militarization of US foreign policy and calling instead for policies that promote social and economic justice both here at home and around the world. The Assembly can

consider whether to retain the USLAW name or change it to something more in line with the new mission statement.

3. That the primary purpose of such a coalition will be to provide information and educational materials to union members and other workers about the connection between the militarization of US foreign policy and the crisis facing working families and the labor movement, and to mobilize them to change the foreign and domestic policies of our government.

4. That this coalition will require a new Mission Statement and quite possibly a new name, as will be decided at the National Labor Assembly in October.

5. That between now and October 24, USLAW will undertake the following activities:

Conduct regional meetings of labor organizations that were opposed to the war on Iraq to explore further with them the question of an ongoing coalition within the U.S. labor movement connecting U.S. foreign and domestic policies.

Establish local chapters of USLAW, subject to approval by the Continuations Committee.

Raise at least \$60,000 to pay one full-time and one half-time staff for USLAW, expenses for both paid and unpaid staff, and the operating expenses associated with the organization of regional meetings and the National Assembly, the web site, educational materials, etc.

Draft Mission Statement

American working families face a domestic crisis - unemployment, declining wages and benefits, de-unionization of the workforce, reduced public services, crumbling health care and educational systems, cuts in veterans benefits, and decreased economic, social and personal security. This crisis has been intensified by the Bush administration's foreign and domestic policies of military intervention abroad and neglect at home that benefit corporations and the wealthy at the expense of working people. We cannot solve these economic and social problems without addressing US foreign policy and its consequences.



The Bush administration's invasion of Iraq has done immense harm to innocent Iraqi people, to our friends and family members in the military, and to working people here at home. USLAW calls for an end to the US occupation of Iraq and for reconstruction of that war-devastated country under the auspices of the UN.

USLAW advocates a foreign policy which will bring genuine security and prosperity to US working families, a policy that strengthens international peacekeeping and human rights institutions and that solves disputes by diplomacy rather than war a foreign policy that promotes global economic and social justice rather than the race to the bottom, job-destroying practices favored by multinational corporations.

USLAW is committed to redirecting the nation's resources from inflated military spending to meeting the needs of working families for health care, education, housing and a decent standard of living.

USLAW will continue to oppose the militarization of US foreign policy and the massive diversion of urgently needed resources from our domestic economy, creating an unstable and less secure world while unnecessarily putting American troops in harms way. USLAW stands for protecting workers rights, civil rights, civil liberties, and the rights of immigrants by honoring the US Constitution rather than subverting it.

USLAW will join with others in this country who want American foreign and domestic policies to reflect our highest ideals, and will stand in solidarity with workers around the world who are struggling for their own labor and human rights. By pursuing these goals, USLAW is acting in the best tradition of American democracy.

USLAW will: Provide information and education that connects the crisis facing working families and the labor movement to the militarization of American foreign policy; Mobilize through actions, demonstrations and coalitions that link the labor movement with other peace, economic and social justice movements locally, nationally, and internationally.

Union Strategy against a Corporate Europe

The following was a contribution by Asbjorn Wahl, of the Norwegian Campaign for the Welfare State, at a seminar organised by Corporate Europe Observatory at the European Social Forum, in Florence.

I have been asked to speak on trade union strategy against a corporate Europe. My background for doing so is that I have been working in the trade union movement for about twenty years. Most of these years I have spent in the Norwegian trade union movement, but for some years in the middle of the 1990s, I worked at the Head Office of the International Transport Workers' Federation (ITF) in London. Soon after I left the ITF office (in 1997) I was elected Vice Chair of the Road Transport Workers' Section of the ITF, a position which I am still holding. Over the last few years in Norway, I have been working on building alliances to fight privatisation and deregulation, and to defend the social achievements which were won through the welfare state. Norway is, as you surely know, not a member of the European Union, but we are part of the same neo-liberal economic and political development and the same power structures anyway, so in this regard it does not make much difference.

If we are going to develop a trade union strategy in today's Europe, which is increasingly dominated by corporate interests, it is decisive that we have a correct understanding of the current situation, as well as of the problems and the state of play in the trade union movement. I went to a couple of trade union meetings yesterday here at the European Social Forum, and experienced two types of contributions. Some were very militant ones from small, but non-representative groups. Another type of presentation was made by a representative from the German IG Metall, who wanted to open the struggle for the 30 hours' week. He did not mention, however, that the same union negotiated an agreement with Volkswagen only a year ago, which undermined existing wages and working conditions in order to make the company set up its new factory in Germany. As far as I am concerned, none of these trade union representatives addressed the real problems of the trade union movement in Europe today. It is necessary to do that as a basis for developing a trade union strategy.

The current situation

Over the last 20 years, we have been

confronted with an immense offensive from market forces. Capitalist interests have gone on the offensive, and we have seen an enormous shift in the balance of power between labour and capital. Multinational companies have, of course, been at the forefront of this development. An important part of this development is the attempts by the multinational companies and their political servants to institutionalise their newly achieved power positions and to bring it further ahead. This is being done through international institutions and agreements, like for example the World Trade Organisation and the GATS agreement, and through regional power structures like the European Union. The following analysis is therefore based on the concept that the European Union of today is the way in which the predominant neo-liberal social and economic model is being institutionalised in Europe. The European Union and other regional and supranational institutions are being constructed on the basis of the new balance of power and cannot be considerably changed, democratised or defeated before we are able to shift the current balance of power in our direction. That means the mobilisation of popular and class power. This is therefore the main long-term task of the trade union movement today.

Challenges and problems in the trade union movement

This leads me to an analysis of the current state of play in the European, or mainly Western European, trade union movement. I think that we can easily agree that the trade union movement in Europe is on the defensive, and it is for the time being not able to fill its role of defending the immediate economic and social interests of its members. Trade unions have lost ground in all sectors and industries. To understand this development, we do also have to look at the history of the European trade union movement.

I will do this by means of some few key words. For reasons which I am not going to elaborate on any further, the trade union movement, during the 20th century, gradually developed a sort of peaceful cohabitation with capitalist interests. During the 1930s this cohabitation started to become institutionalised in some parts of Europe when the trade union movement struck accords with capital interests, particularly in the North, and after W.W.II in most of Western Europe. This social pact between labour and capital formed the basis on which the welfare state was

developed and wages and working conditions were gradually improved. From a period characterized by confrontations between labour and capital, societies entered a phase of social peace, bi- and tripartite negotiations and consensus policies. Due to the important achievements in terms of welfare, wages and working conditions, this policy gained massive support from the working class, and the more radical and anti-capitalist parts of the labour movement were gradually marginalised. Social democratic parties became the bearers of this policy of class compromise.

It is important to realise that this social partnership between labour and capital was a result of the actual strength of the trade union and the labour movements. The employers and their organisations realised that they were not able to defeat the trade union movement. They had to recognise the trade unions as representatives of the workers and to negotiate with them. The radicalised labour movement which came out of the economic and social crisis of the 1930s and the W.W.II was met by a rather conscious strategy by its capitalist counterparts. They voluntarily entered into social pacts and gave in to many of labour's social and economic demands in order to win time and de-radicalise the labour movement. Seen from a position more than 50 years later, we can say that this corporate strategy proved to be quite successful.

Today's trade union movement, organisational structures and cadres were developed in this historical phase of social pacts. It led to the depolitisation and deradicalisation of the labour movement and the bureaucratisation of the trade union movement. An important part of the social pact was the existence of national regulation of capital and markets. Capital control was the order of the day in all countries. Settlements between labour and capital were made in rather orderly and peaceful ways within national borders. As an important result of that, the trade union movement became very nationally oriented. Internationalism in the trade union movement had for a long time already had tendencies of developing into a sort of diplomacy in international bodies (like the ILO) and even into different forms of trade union tourism, with little or no connection with the immediate needs and interests of the members, even though some of the internationalist political rhetoric remained in place.

Most of the current leadership of the trade

union movement in Western Europe has had all its education and experience in this environment of class compromise and social peace. When the neo-liberal offensive took off some twenty years ago, and the employers gradually broke with the policy of social partnership, the only answer most of the trade union bureaucracy was able to come up with, was to continue its consensus policy. Some trade unions have almost been begging rather hostile employers for a continuation of the consensus policy. This policy has been fuelled by the strong national orientation of the trade union movement. Rather than reorienting themselves towards confronting the gradually more aggressive capital interests, their narrow national orientation and strong social partnership ideology have led great parts of the trade union movement into an alliance with, and consequently a subordination under, "national" capital in a struggle for better conditions of competition ("Standort Wettbewerb").

Business unionism

In other words, great parts of the trade union movement have been drawn deeper into business unionism and legal formalism rather than shifting towards a strategy based on class relationship and an assessment of the balance of power. The struggle of the German trade union movement for a "unity for work" ("Bündnis für Arbeit") during the middle of the 1990s is one good example of this policy of national alliance with the employers (although failed because the employers felt strong enough to turn away the "offer" of a formalised, social pact). In the same way the struggle for minimum labour standards in the WTO is an excellent example of the legal formalism which is developed completely independent of an analysis of the balance of power between labour and capital.

It is important to notice that this very defensive and deteriorating development effected more strongly trade unions in the manufacturing industry than in the public sector and in transport, among other things because the manufacturing industry is more strongly and directly exposed to international competition. Thus the setback of the trade unions and the political and ideological shift to the right have been more prevalent in the manufacturing industry than in any other part of the movement.

This disastrous continuation of a policy of social partnership, in a situation in which the economic and social basis for this partnership is fading away, is being pursued by most of the current European trade union bureaucracy - in particular the European Trade Union Confederation

(ETUC). Thus, over the last years, we have seen growing activities in the form of consultations, negotiations, lobbying and so-called social dialogue between the social partners on the labour market. The result so far is a strengthened topdown development and the growth of a huge European bureaucracy in the trade union movement. A real trade union response, where unions organise and mobilise their strength, based on active rank and files and their ability to put power behind their demands, has not so far been a feature at the EU level, even though we have seen tendencies in this direction at the national level (France 1995, Italy 2002).

Everybody who has been involved in trade union struggle at the national level, knows that without the right to take action, there is not much to achieve at the negotiating table. This is the fundamental problem within the EU today. "Negotiations" at the EU level take place without the right to take industrial action. Thus, this process has so far given very little trade-off. Employers who know that their counterparts have no way to put force behind their demands, are understandably not very accommodating at the negotiating table.

"Negotiations" in this form were introduced in the EU constitution by the Maastricht Treaty and further developed in the Amsterdam Pact. It says that on relevant areas, the "social partners" should first be given the opportunity to negotiate. Should they agree, the Commission could transform the agreement into formal EU legislation (directives). Should they not agree, the Commission could propose a directive on its own initiative. So far, this process has produced three general directives - one on the right to maternity leave, one on part-time work and one on temporary work. They are all about minimum standards. The shipping, rail and road transport industries also have negotiated agreements on working hours, which have been turned into directives.

At company level, European Works Councils have become the bureaucratic answer. These councils of workers' representatives in transnational companies give the workers practically no real influence, although the bodies can be useful for information and trade union contacts. The councils give much less influence than the similar institutions which in the post-war period were developed in the Nordic countries and in Germany, but the workers' representatives have lost real influence in the companies in these countries also as market forces have gained ground.

The depressive results of these policies have been that the dominant part of the trade union movement has accepted a

gradual reduction in welfare and working conditions. Through negotiations trade unions have gradually accepted an increasing flexibilisation of work. One important effect of this development has been the demoralisation of workers and a reduction in trade union membership, as the trade unions have not been able to protect the interests of their members. A fuelling of the growth of right wing populist parties is probably the most dangerous result of this trade union policy of indulgence.

Strategy

So what can the trade union movement do in order to confront the corporate Europe of today? The first thing is to realise that it has to be confronted. There are disagreements and contradictions on this position in the trade union movement today - at the national and local as well as at the international level. We will therefore have to build new alliances based on the best parts of the trade union movement. Even if there are many exceptions, these labour organisations are mainly to be found in the public sector, in transport, in some of the private service sectors, and in a number of local branches across the trade union movement.

One of the main struggles around which this alliance will have to be built, is the struggle against the ongoing corporate take-over of our public services. This means fighting against privatisation and competitive tendering, and to defend the achievements which were won through the welfare state. The corporate take-over of these parts of society represents exactly some of the most important means which today contribute to the shift of the balance of power between labour and capital in our societies.

Another important part of a progressive trade union strategy is to challenge the dominant thinking (ideology) of the trade union bureaucracy the ideology of social pacts, or the peaceful cohabitation between labour and capital. We will have to have hard, but friendly internal discussions on this particular subject within the movement. These discussions should be based on the understanding that the policy of social partnership is not the result of conspiracies or treachery, but the result of a specific historical development. We need new analyses, analyses which can explain to people how the historical compromise between labour and capital was realized and why it has broken down. People's discontent with current developments has to be taken seriously, their anxiety and dissatisfaction should be politicised and channelled into trade union and political interest-based struggles for their working and living conditions. That is the only way

to break away from the current trend where many of these people are being mobilised by right wing, populist parties.

We should focus on welfare and working conditions, on the brutalisation of work which is taking place as a growing part of the economy is exposed to market competition and workers' influence over their working day and control of the work process are being reduced.

It is important to realise that this also

has a lot to do with people's self-confidence. Workers' dignity is systematically being attacked - in the work places, in the media, in the general public debate and in the social and cultural climate of a society dominated by middle-class thinking and values. This can be changed only by reclaiming the notions of productive labour, class relationship and class identity. It cannot, however, be imposed upon the working class from outside, it has to be developed as a part of, and during, the social struggle.

Finally, we do have to build alliances with

the new, global movement against neoliberalism - for democracy, global justice and solidarity. This global movement of movements is currently more political radical and system-critical than the trade union and the labour movements, even though its knowledge of class relations is rather poor. The trade union movement needs the radicalism and the militancy of this popular movement in order to break with a future which is no longer there. If this alliance is developed constructively and correctly, the two movements could reinforce each other and bring the struggle to a higher level.

"For the Welfare State" - Political Statement

In September 1999 in Norway, a broad alliance of trade unions was established in order to strengthen the struggle against privatisation, deregulation and market liberalism - for a strong public sector.

The building-up and development of the public sector and a comprehensive welfare state have been one of the most important instruments in order to achieve the equal distribution of wealth which we have achieved in Norway, and which has made us one of the societies in the world where social differences are smallest. However, we can still experience difficult accessible public services, imperfect care and welfare services which do not reach everybody. It is therefore necessary to strengthen and further develop the welfare state.

Both the state and the municipalities play an important role in the development of the welfare state. Increasingly, public services have been transferred to the municipalities. At the same time, the municipalities constitute the core element of democratic governance. This combination of popular governance and public welfare represent a unique possibility to create a public administration and a society which can secure economic and social security for all inhabitants, wherever they live.

Over the last years, however, we have experienced that neoliberal politics have gained ground nationally as well as internationally. Through deregulation, privatisation and competitive tendering, public services, democratic governance and control are being weakened. Internationally, financial speculation has made national economies tremble. Market forces have gained ground at the expense of public governance. This has caused the development of increased inequalities in society, attacks on welfare and public services and ruthless exploitation of resources and the environment.

We therefore face a decisive struggle for public services and the democratic governance of our society. The struggle is all about protecting a strong public sector and creating a society which takes the environmental challenge seriously. We experience a redistribution of wealth from public to private, and public budgets are being put under increased pressure.

The struggle is about what kind of society we are going to build in the future. The struggle against privatisation and competitive tendering is a defense for the welfare state, for a just and equal distribution. The public sector is our most important instrument for the distribution of wealth and its role is decisive if Norway is going to continue to be one of the best welfare societies to live in.

Our aim is a society of full employment, equality and a social security system which encompasses everybody. The public sector should have the responsibility that everybody gets his rights, in health and care, education and nursery school, independent of place of residence and economy. Through comprehensive public services, a sufficient fine-meshed social safety net should be established to safeguard everybody who, for different reasons and in different periods of life, is unable to take part in wage labour. These should be services adapted to the users, which creates security in daily life and which can develop in step with changing demands of society.

The public pension scheme must be maintained as an important fundamental of the welfare state - at a level sufficiently high so that those out of work can lead a satisfactory life without having to turn to individual pension schemes.

We support the restructuring of the public sector, based on security for and motivation of the employees, while making use of their experience, their creativity and their knowledge of the

needs of the users.

- We stand up for the principles of the welfare state, while rejecting a return to means testing and the undermining of acquired rights. We will therefore fight against the development of inequality and rising poverty in society.
- We support the democratically elected management of public resources, while fighting decisions transferring important public assignments to the market forces.
- We reject the current globalisation of the economy which is based on liberalisation, deregulation and free flow of capital. We demand action against financial speculation and restraints on the enormous power of transnational corporations.
- We support the struggle for a just distribution of the resources of the world.
- We oppose the trend of turning public sector monopolies into private sector monopolies with the assistance of transnational corporations.
- We reject the policy of tenders for public services, which is also used to undermine the wages and working conditions of employees.
- We demand adequate funding of public services. It is unacceptable that, in a society which is wealthier than ever before, private riches and public poverty are increasing simultaneously.

In order to strengthen this struggle, the undersigned organisations are establishing the organisation "For the welfare state". The aim of this alliance is to further develop the co-operation between our organisations, to widen it and to strengthen the struggle against privatisation, deregulation and market liberalism - for a strong public sector.

Visit www.velferdsstaten.no

Political Suppression of Our Democratic Voice in CEPPWAWU

The leadership of the Witwatersrand Region of the South African union, CEPPWAWU (Chemical, Energy, Paper, Printing, Wood and Allied Workers Union), has been suspended by the national leadership of the union. The dispute revolves around the explosive political issue of a break with the ANC and the tri-partite alliance (COSATU/SACP/ANC) because of its neo-liberal policies. The dispute is all the sharper because one of the leading officers is John Appolis, chair of the Anti-Privatisation Forum, which is labeled "ultra-left" by the pro-ANC forces within the unions. We reproduce material from the CEPPWAWU Wits Region and comments by Dale McKinley, media officer of the APF.

The National Executive Committee of 6th May 2003, decided to suspend our Wits Regional Officers: John Appolis (Secretary), Dan Nkotsoe (Chairperson), Vuyani Tayika (Deputy Chairperson) and Noboniso Ndlwana (Treasurer). The NEC claimed that the Regional Officers were refusing to implement the NEC decision to allow the National Office Bearers' Committee (NOBC) to visit the Locals and investigate the "Call for A Workers' Referendum on the Alliance and 2004 National Elections".

We as Local chairpersons have decided to take over the political and administrative running of the Region. We have convened this RSSC (Regional Shop Stewards' Council) to discuss this suspension and chart a way forward. Our Officers were suspended because they carried out the democratic mandate given to them by the Locals and shop stewards in our Region. Our mandate given to the Officers was that:

There is no need for an investigation into the Call for a Workers Referendum on the Alliance and 2004 National Elections;

There is no need for the NOBC to visit individual locals because the Call for a Workers Referendum was a mandate of the whole Region.

The NOBC must come to a RSSC where all Locals are present so that the shop stewards can tell them whose mandate the Call for a Workers Referendum was.

We had enough of the

NEC trying to undermine and divide the Wits Region.

The Call for a Workers' Referendum

It is important to explain why the Wits Region proposed a Workers Referendum, a view that came from the shop stewards and Locals of the Wits Region. This mandate came out of us making an assessment of the two-day general strike of COSATU against privatisation in October 2002. This Call for a Workers' Referendum was to test the views of workers on the Alliance between COSATU/ANC/SACP and the 2004 National Elections.

The workers who participated in the strike and march in Johannesburg wanted to show the ANC government that they rejected privatisation. They wanted to show the ANC government that they are fully behind COSATU and wanted to defend COSATU against the attacks from the ANC. Their support for the general strike was a massive vote of no-confidence in the ANC government. During the Johannesburg march on the first day of the general strike workers were burning the posters of Sam Shilowa, premier of Gauteng.

The workers who did not participate in the general strike wanted to give a political message to COSATU. They wanted to tell COSATU that privatisation cannot be fought decisively because of the Alliance with the ANC. They said that they know that after the general strike COSATU would go back to the Alliance and say that they are sorting out matters between them as Alliance partners. They felt that COSATU would not be serious to continue fighting privatisation. They further said that COSATU cannot fight seriously and strongly the ANC government because they are in the same political bed with the ANC. COSATU would be more concerned to keep the Alliance alive. This was the political message the workers was sending to COSATU.

Workers were right because before and during the strike the views of the COSATU leaders were directly different to that of the workers. COSATU leaders were trying to cool down the hot political feelings of the workers. The COSATU leaders were saying: "the strike is not political", "the strike is not directed at the ANC and the government", and "the strike is not called to question the bon fides of the ANC and the government".

Our REC (Regional Executive Committee) felt quite strongly that these kinds of statements are confusing and they amounted to an attempt to de-politicise an

otherwise very political issue.

The Locals and REC felt that these messages from workers must be conveyed to the Union nationally. We felt, therefore, that it is time that workers' voices must be heard and that workers provide the answer to this political crossroad of the trade union movement. To this end the REC proposed that CEPPWAWU/COSATU must organise a Workers' Referendum on the Alliance. In this way, we can prepare in a mass manner, for the up-coming National Congress of the federation in 2003. The referendum should take place before the National Congress. In addition, the REC proposed that the referendum must test workers' views on the national election of 2004 and whether we must support the ANC or not. This is important because we feel that during the inter-elections years we are engaged in fierce class battles with the ANC government. But when the national elections approach we are turned into the election machinery of the ANC. Lastly the REC resolved that there must be a discussion document summarising the above views and proposals of the Region.

This discussion document was sent to the Locals and to the Union nationally. In the NEC of November 2002 these proposals were attacked. The Region was insulted for even thinking of making such a proposal. It was stated that this was against the Union's Resolution of maintaining and strengthening the Alliance adopted in the National Congress in August 2002.

The NEC of November 2002 decided that the NOBC must investigate this Call for a Workers Referendum and visit the Locals in the Wits Region to make the investigation. [This November NEC also decided that no elected leader of the union must use any public platform/organisation to articulate views that are contrary to the union's views. We said that this amounts to the violation of the constitutional right to freedom of expression and association.]

All the structures in the Wits Region - that is the Locals, RSSC, Regional Co-ordinating Committee (RCC) and REC - rejected the investigation and the visit to the Locals. The Regional Structures said NOBC must come to the RSSC to come and hear the views of shop stewards on the Call for a Workers Referendum. There were many attempts on the part of the Region to get the NOBC to come to the RSSC. They were invited to attend on the 8th February 2003, 22nd February 2003 and 12th April 2003. But every time they refused saying that they must visit the Locals and that they will come to Germiston and Johannesburg Locals first.



This is the mandate the Regional Officers took to the NEC and they were suspended for putting it forward.

Financial mismanagement of the Union

The Wits Region has consistently been fighting to ensure that the Union is a strong and vibrant Union, that it is financially managed properly as well as that there is critical political assessment.

During 2000 it became clear that the Union was in a serious financial crisis. The Union has been running up deficits and overdrafts. This financial crisis was largely due to the NOBC not managing the finances properly and there was huge overspending on items. This financial crisis resulted in workers having to pay a once of levy of R20 to assist in overcoming the financial crisis.

The Wits Region challenged this mismanagement of workers' money and proposed a vote of no-confidence in the NOBC. This was rejected by the NEC in April 2001. That NEC of April 2001 decided that the Wits Region must be investigated and that the NOBC must come to a Regional Shop Steward Council. They came to the RSSC and were told in very strong terms that the vote of no-confidence is a Regional position. They were also told not to waste Union monies by conducting useless investigations.

Presently, the Union is still in a very serious financial crisis. The R20 once-off levy did not assist in easing the problem. The Union has presently a deficit of over R2 million. Workers are now to suffer because of the mismanagement of the NOBC of whom many are still now in office.

Masibambane Unemployed Project

The Wits Region started in April 2002 an initiative to organise all retrenched and dismissed members of CEPPWAWU. This decision to organise the retrenched and dismissed members was taken in a Wits Regional Congress in October 2001. It is part of our attempt to organise the unemployed and to bring about unity between the employed and the unemployed. The MUP together with the Wits Region has been taking up the issue of first preference campaign and the pension surplus. Committees of the MUP have been formed in Tskane, Kwatshema, Katlehong and Tembisa. Marches have been organised to some of the companies and hundreds of workers are attending the marches and meetings.

However, the MUP has been seen by the

Union leadership as a political problem and there have been attempts to discredit the and undermine it. The leadership is claiming that the November NEC 2002 decided that the MUP must be closed down whilst national guidelines on how to organise the unemployed are being worked. They were also claiming that the MUP is a front of the APF which is anti-ANC. The Wits Region has been challenging these attempts to undermine the MUP. So instead of welcoming the initiative to organise the former members of CEPPWAWU, the leaders are trying to destroy it.

Political witch-hunting

As a result of the Wits Region's view on Call for a Workers Referendum and the continued operation of the MUP, comrade John Appolis, our Regional Secretary, has been accused of being incompatible with the tradition, culture and views of CEPPWAWU. The general secretaries called him to a consultative meeting on 7th February 2003 and they stated that as his immediate supervisors they have noted that the Wits Region's views of the Workers Referendum and MUP are not in line with the union views. They wanted to know what his role is as an employee (and supervisor in the Region) to ensure that workers and shop stewards comply with and observe the union policies and decisions.

This is a clear indication of trying to get rid of John Appolis by singling him out as the problem. This amounts to political suppression and purging of individuals within the Union. The Union leadership is now using the language and weapons of the bosses to deal with comrades in the Union. This is also an indication that the Union is becoming bureaucratic and it is adopting the culture and operations of a capitalist company.

The NEC Delegates Are Also Now Suspended

The three NEC Delegates, Phillip Zwane, Molefi Ramadiro and Angelina Williams - have also now been suspended. When some of us were part of the NEC the decision was that the Regional Officers were suspended. No mention was made of suspending the NEC delegates. This is clearly a decision by the Deputy General Secretary and/or other members of the NOBC.

It is quite clear that the Union leaders are trying to get rid of our Regional leadership. Whilst the comrades are on suspension, head office has been trying to close the regional account, to change the locks of the Regional office, to take away the cheque book. Certain staff members

have threatened with discipline if they do not co-operate with the NOBC. Unidentified individuals have been

sent to the regional secretary's office to see if he is in his office. The Regional Deputy Chairperson was threatened with physical eviction from the Regional Office on instruction from the Deputy General Secretary. This is a clear attempt on the part of Union leaders to use the cover of the suspension to get rid of our leadership.

Dale McKinley told SOLIDARITY:

Over the last several years, rank-and-file workers in South Africa's largest trade union federation - COSATU - have found themselves fighting a dual battle. On the one hand, an incessant working class battle against the disastrous socio-economic effects of the capitalist neo-liberalism of the ANC government and its corporate allies. On the other, a political and organisational battle to reclaim the militant and independent character of working class struggle against the class collaborationism of the ANC-SACP-COSATU leadership. It is the waging of this dual battle, combined with and complemented by, the rise of mass, anti-capitalist struggle from the new social movements in South Africa, that has brought the comrades from CEPPWAWU Wits Region into such direct confrontation with the national leadership of their own union and of the ANC/SACP/COSATU Alliance.

The organisational suspension and political victimisation of the CEPPWAWU Wits Region leaders (who represent thousands of workers in the union's largest region) represents a desperate attempt by the pro-ANC national union leadership to suppress militant, independent and accountable working class organisation and cover-up their own political betrayal of workers. The growing strength and mutuality of anti-capitalist worker-community struggles (for example between the CEPPWAWU Wits Region and the Anti-Privatisation Forum) poses a fundamental threat to the long-standing political and organisational hegemony of an ANC-SACP-COSATU leadership that has now completely lost touch with workers and poor communities. The struggle of the CEPPWAWU comrades is an important part of the continuing and intensifying dual battle of the South African working class to reclaim a South African revolution that has lost its way.



Israel - the Thatcherite turn

Assaf Adiv and Dani Ben Simhon write on the economic programme of the new Israeli government, and its consequences. The article is reproduced from the Israeli magazine **Challenge**. Visit their web site at: www.hanitzotz.com/challenge

Israeli Finance Minister Binyamin Netanyahu has proposed a "Program for Economic Recovery" that would radically alter the foundations of Israeli society. The new Sharon government backs the plan. If implemented, it would irreversibly damage the status of the Histadrut, Israel's national labor union. It would nullify collective labor agreements signed by the Histadrut, the employers and the government. These agreements form the basis of Israel's labor relations. Netanyahu is attempting to void them by legislation. That would make a farce of labor negotiations, past and future. In an economy where capital has free rein, he wants to legislate the price of labor. So far he has succeeded: his plan has passed the first parliamentary vote of the three required. The Histadrut has responded to the plan with a general strike.

Netanyahu can rightly claim that Israel's economy is in danger. There is room to suspect, however, that he is exploiting the situation in order to undermine the concept of the welfare state *per se*. It is no secret that this concept repulses him. He is known as a fan of economist Milton Friedman and Friedman's disciple, Margaret Thatcher. He views the advancement of the wealthiest as the basic motor for growth in a capitalist economy. For him, as for US President George W. Bush, the best way out of recession is to lower taxes, especially on capital.

A new social and economic order

Nor is Netanyahu free from ideological and political considerations. He grew up during the three decades when the Labor Party drew unrivalled power from its dominance of the Histadrut and the public sector. Even when the Likud at last took over in 1977, the real power, in Netanyahu's view, still lay with the elite of Labor and the Histadrut. The present crisis, therefore, affords him a golden opportunity: the Labor Party is weaker than ever, and so is the Histadrut. The time has come to deliver a knock-out blow to organized middle-class workers. According to Dr. Yossi Dahan of the Adva Center, "this is not a recovery plan, but an attack. Netanyahu wants to impose a new social and economic order." (Lecture at Alma College in Tel Aviv, April 30.)

The Adva Center (www.adva.org), in a report dated March 24, describes measures taken before Netanyahu's Recovery Plan. "The government cut the state budget three

times between December 2001 and August 2002; the total reduction came to 30 billion shekels [a little more than \$6 billion, more than 10% of the budget Ed.]. The main target was the social safety net, and the main casualties were low-income groups." The cuts included a freeze on payments by the National Insurance Institute (NII), a reduction in income-maintenance allowances, a cut in unemployment compensation, a cut in old-age pensions, and a general cut in child allowances, including a deep cut in allowances for children whose parents did not serve in the army. The last was an especially hard blow for the Arab population.

That was then. In its *present* program, the Finance Ministry has gone a step further. This time the target is the more established part of the working class, and first of all, the broad layer of public-sector workers in large government-run companies, government offices, the schools, health, sanitation, communications, transportation, police even the Mossad, Israel's secret service. According to Adva, the new program shakes up the stability of the middle class's chief place of employment: the state apparatus, the local authorities and government services.

Adva lists the forms of the damage:

1. Salary cuts, mainly in the public service sector. These will violate the signed agreements mentioned above.
2. Mass dismissals. The labor force in all public services will be cut by 5% in 2003 and another 3% in 2004. The hardest blow will fall on the female labor market. Half the working women in Israel are in public services, where they constitute two-thirds of the total employed.
3. Lowering of labor costs. Some dismissed workers will be rehired as temporaries without benefits.
4. Reduction of the safety net given to the pension funds. The government will lower this net, demanding that the pension funds invest in the capital market, at greater risk to the insured. It will also raise workers' obligatory payments to the pension funds by 2%. It will hike the age of eligibility for the NII old-age pension to 67 for both sexes (at present the age is 60 for women and 65 for men). Such a measure spells catastrophe for many people at a time of recession and unemployment.

The justification: fear of financial collapse

In defending the Recovery Plan, with its drastic cuts and layoffs, the Finance Minister raises the specter of financial collapse.

The picture is dour indeed. We have

presented it, and analyzed its causes, in previous issues of *Challenge*. (See "Israel's Economy in Trouble," issue 71). In brief, during the 80's and 90's, Israel shifted away from labor-intensive industries, putting all its eggs in the high-tech basket and globalizing its industry. The bursting of the Nasdaq bubble in March 2000, the slowdown in global growth, and the outbreak of the second Intifada in September 2000 have crippled the Israeli economy. The GDP has been in decline for the last two years. Unemployment is rising. Investment is down, for there is nothing to invest in: after the drop in high-tech, no new industrial sector has emerged.

Finance Minister Netanyahu has justified his program as a way of liberating the economy from the 'heavy burden' of the public sector (as if the latter were a parasite, rather than the infrastructure of any society that exists for the benefit of its members). He stresses, above all, the need to lower the expected budgetary deficit, bringing it into line with the maximum deemed acceptable by the IMF: 3% of GDP. If the deficit should rise to 6%, as is feared, Israel will suffer major damage to its international credit rating.

Yediot Aharonot, on April 18, reported an interview with Nir Gilad, the Accountant-General of the Finance Ministry (who resigned a week later). "Israel's economy, a few months ago, stood before an extremely severe financial crisis, similar to those that hit the South American countries, the Philippines, Malaysia and Indonesia, shattering their economies and their currencies. According to Gilad, as a result of the severe economic situation, which reached its nadir in June last year, a grave danger arose that the shekel would collapse, pushing the value of the dollar to between six and seven shekels. To prevent a catastrophe, Prime Minister Ariel Sharon, Finance Minister Silvan Shalom and the Governor of the Bank of Israel, Dr. David Klein, held a series of urgent, secret meetings. By making broad cuts in the budget and imposing drastic measures on the public, the three managed really at the very last minute to stave off a collapse that would have brought the nation's economy down. According to Gilad, if the new Recovery Plan is not passed at once, the financial crisis may again raise its head and very soon."

The remarks of the Accountant-General reveal the circumstances under which the Sharon government turned to Washington, requesting \$10 billion in loan guarantees, plus \$4 billion in grants for defense. Bush's verbal agreement resulted in a temporary reprieve for Israel's credit rating. The Administration made a condition, however: it demanded that Israel pass a new

economic program. "The Americans wanted to know how the government intends to make the Israeli economy grow again. They asked about structural reforms, reduction of the deficit and privatization. They heard (from Israel's representatives, Dov Weisglass and Nir Gilad) about the program for stepped-up privatization... about gradual deficit reduction and expected changes in the labor market." (*Ha'aretz* Feb. 23).

In April the US Congress approved \$9 billion in loan guarantees and \$1 billion in military aid (in addition to the \$3 billion in aid that Israel receives annually). This approval has helped for now to stabilize Israel's economy. Nonetheless, the aid package contains a clear condition, tying the loan guarantees to Netanyahu's Recovery Plan. According to Finance Ministry Director Ohed Marani, "If the Knesset does not approve the plan, we won't get the US guarantees." (*Ha'aretz* April 14)

On the Edge of Illegality

Despite the clear American backing for the Recovery Plan, there is sharp criticism of its content and nature. The critics are spread over a wide spectrum, including the Histadrut, a network of social and popular organizations, the experts of the National Insurance Institute (which usually refrains from taking positions contrary to those of the government) and even the Governor of the Bank of Israel. In a position paper, the NII points out "that 74% of the planned reduction falls on the lowest four deciles of the population, and only 4% on the upper two deciles." The plan, says the NII, will put a third of Israeli children below the poverty line. (The poverty line is 50% of net median income: about \$800 per month for a family of four.)

The Attorney General, Elyakim Rubinstein, also criticized the Finance Ministry, singling out its intent to enact the plan through legislation, rather than negotiation. "At a meeting with Finance Ministry chiefs on April 15, the Attorney General and a team of legislators warned that cuts in public-sector wages by means of legislation might not stand the test of basic laws [which serve Israel, in part, instead of a constitution Ed.], so that it will not be possible, in fact, to implement them. The legislators explained that it is not acceptable to take so extreme a measure as interference in labor agreements, except in an emergency. Within the framework of the new economic program, they point out, there is a parallel plan to make tax cuts and grant tax benefits amounting to billions of shekels; it is impossible, therefore, to justify the legislation by claiming an emergency." (*Yediot Aharonot* April 16)

Hannah Kim of *Ha'aretz* reported (April 18) that even Bank of Israel Governor David Klein, who gave his blessing to the Recovery Plan on April 6 before the

Knesset Finance Committee, voices cautious criticism on several counts. He opposes the intent to pass the plan by legislation. He also faults it for failing to deal with the problem of poverty, which will increase as a result of its implementation. Kim summarizes: "According to his worldview, Klein should be a natural ally of Netanyahu. For the first time in years, however, it seems that the Finance Ministry has taken an even more right-wing, extremist course than the Bank of Israel."

The Histadrut fights for its life

Opposition to Netanyahu's plan derives in part from concern that its attack on the concept of the welfare state, as well as the damage it may wreak on the Histadrut, will deal a mortal blow to the country's social stability and with no guarantee that the planned reforms will succeed.

For the Histadrut, the issue is indeed one of survival. The Finance Ministry's decrees have focused on the workers of the public sector, the middle-class layer on which the Histadrut depends. This layer includes, above all, the labor councils in concerns such as the banks, the Electricity Company, Bezek and the ports. "If the legislation only touched income maintenance, unemployment compensation, and allowances for children, the elderly and the crippled, we wouldn't be hearing threats of 'the biggest strike ever,'" writes Nehemia Strasler in *Ha'aretz* (April 10). "But the Finance Minister is putting the burden, this time, on the workers of the public sector. That is why the big workers' councils and the Histadrut are girding up their loins for battle. This time their own pockets are at stake."

Under pressure of a general strike, the government and the Histadrut may compromise. The union has not rejected this possibility, provided that a wage cut be decided through negotiations rather than legislative fiat. It believes that despite Netanyahu, the government as a whole will not want to break it: throughout the nation's history, after all, the Histadrut has kept the economy's labor relations in order. This faith is not unfounded. Although Netanyahu won the first parliamentary test, support from Likud rank-and-file was shaky. He may have to rein in his Thatcherist impulse and scuttle the legislation.

At the time of this writing (May 2), the general strike is in its third day. There are signs of potential compromise: after two days of total shut-down, the Histadrut has allowed employees back to work in schools, in the ports and in other facilities. Both sides have returned to the negotiating table.

Nevertheless, the proposed reforms, seen against the background of last year's drastic cuts, are unprecedented. A compromise may save the skins of certain privileged sectors,

but there is no sign that the Histadrut will reverse the tendency of the last eighteen months. It swims with the current as if the IMF criteria were holy writ and the principles of global capitalism natural law. The Histadrut has never fought privatization. Its head, Amir Peretz, told *Ma'ariv* on April 25: "I'm in favor of a free economy, I'm in favor of competition, but I'm against a jungle."

The only real alternative to the Netanyahu proposals would lie in a different direction entirely. The Histadrut would have to stand for taxing the rich (for taxes on capital remain low in Israel). It would have to insist on eliminating the costs of the Occupation. It would have to link itself to union movements with a socialist orientation throughout the world.

Reforms or no reforms, the double punch of global recession and Intifada will continue to keep the economy down. With no sustainable motors of growth and a widening gap between rich and poor, Israel is losing its inner cohesion, while the conflict with the Palestinians grinds relentlessly on.

An Agreement with the Contractors Opens Up New Jobs

The Workers Advice Centres in Israel, which unites Jews and Arabs in a struggle for a new trade union has made a step forward in its campaign for jobs for Arab workers who were driven out of building jobs by the use of imported cheap labour.

On January 8th, WAC reached a written agreement with the Association of Contractors and Builders in Israel. The memorandum is a landmark in our campaign, A Job To Win. It acknowledges the vital role that WAC has played during the past year in mobilizing Israeli Arab workers for the construction industry. It presents our experience with two building firms, Solel Boneh and A. Drori, as an example for the rest of the contractors. By the terms of the memo, ACBI will encourage the other contractors, especially the larger companies, to make contact with WAC. We shall supply them with workers according to the terms of the collective agreement obtaining in the industry.

The workers referred by WAC will be hired by the companies themselves as their own permanent staff, on condition that they show they are professional and serious. Each worker who is hired in this way will be required to pay monthly dues of 34 shekels (ca. \$7.00) to WAC.

In the two months since the writing of this memorandum, the hiring of workers has speeded up. WAC has now placed 550 workers in seven contracting firms.

'Partnership' in US hospitals

The California Nurses Association has been unique amongst US unions with members in Healthcare by refusing to support 'partnership' agreements with private healthcare providers. It has a record of combining militancy with 'patient advocacy'. It was instrumental in the introduction in California of legislation which set a legal ratio of nurses to patients.

Its success over the last years has acted as a magnet for nurses organisations in other states, tired of business unionism which has failed to challenge the profit crazed industry. In order to fight the threat of the CNA, Tenet Healthcare, an anti-union company has signed a deal with the SEIU (Service Employees Union). Below we reproduce an article from the CNA explaining the situation.

In many hospitals across California in recent weeks, the Service Employees Union (SEIU) has become an ally of convenience for the hospital industry in its efforts to weaken CNA and reverse substantial gains by CNA Registered Nurses (RNs).

The real danger for RNs and patients is what SEIU offers to employers in return. A prime example is the hospitals that are part of the Tenet Healthcare chain. In flyers distributed to RNs, SEIU has attacked CNA RNs at Tenet's Doctors Medical Center and Long Beach Memorial for striking for pension improvements. Concurrently SEIU reached an agreement at Garfield Medical Center that contains no pension gains.

The clear message from SEIU to employers is that it will not fight for retirement security or other essential improvements, in exchange for back door agreements - even as SEIU assists the healthcare industry in eroding RN practice and patient protections in the legislative and regulatory arena.

While its recent attacks on CNA represent a significant escalation, SEIU has been marching down this path for several years. CNA and SEIU once had a good relationship however, in the mid-1990s after years of beatings at the hands of Kaiser Permanente, the top leadership of SEIU determined that it could no longer effectively engage in collective bargaining with Kaiser.

Instead, SEIU decided to tie its future with Kaiser, and subsequently with other healthcare employers, to labor-



management partnership schemes in which contracts would be established in closed door meetings with top level Kaiser and SEIU management, shutting out rank and file SEIU members. In exchange for "favorable" terms at the top, SEIU would abandon traditional alliances with other healthcare workers and the public on basic issues affecting public safety and the well being of all employees.

The first signs of SEIU's strategic shift were evident as large scale restructuring hit Kaiser and other healthcare employers. SEIU pushed aside efforts by CNA and four other Kaiser unions to build a united front to challenge Kaiser's plans to implement layoffs, deskilling, and cuts in patient services. In exchange, SEIU believed it would accrue several thousand members that Kaiser would transfer to SEIU from other unions by replacing RNs and other professional employees with lesser skilled staff.

'Labour management partnership'

On the day of the first strike by CNA RNs against 15 major concessionary demands by Kaiser in 1997, SEIU and some other unions signed a "labor-management partnership" deal with Kaiser. While providing limited gains, the agreement had many shocking provisions: SEIU agreed to:

- Provide "morbidity" pay bonuses for helping meet budget goals by denying care. For example, SEIU co-wrote a notorious program for a 10 percent bonus for phone advice clerical staff members who cut time on calls assisting patients, limit referrals to call center RNs, and reduce medical appointments.
- Accept "gag clauses" that force SEIU members to remain silent in the face of hospital closures and other cuts in patient care services,

compromising the patient advocacy responsibility of RNs.

- Promote the replacement of RNs with LVNs and other staff.
- Actively market Kaiser as the HMO "of choice" for union members.
- Exclude rank and file members from participation in contract talks.
- Lobby on behalf of Kaiser to fight legislation opposed by Kaiser. An example: AB 394, the RN ratio law. Kaiser was the primary opponent in legislative hearings, and SEIU staff walked through the halls of the Capitol urging legislators to vote "no." SEIU also lobbied on behalf of Kaiser to oppose key HMO reform legislation, including a ban on mandatory arbitration for patients harmed by unsafe care.

Having made a strategic turn with Kaiser, SEIU then approached other large hospital chains promising similar terms in exchange for agreements that would make the RNs and other hospital workers members of SEIU.

With Catholic Healthcare West, SEIU:

- Negotiated contract language on staffing disputes that it promoted as a major breakthrough for RNs. However, the language tied arbitration of disputes over safe staffing to "business needs" in direct violation of AB 394, the Safe Staffing Law, and Title 22 RN patient advocacy obligations.

By contrast, CNA has negotiated a number of agreements with CHW and other employees that do not tie arbitration of staffing disputes to "business needs."

As more hospital employers work with SEIU as the compliant alternative to CNA, RNs should have a tremendous cause for concern. However, just as over the past 10 years, the collective power of RNs in unity with our patients will overcome these divisive agendas.

Visit the California Nurses Association website at:

www.calnurse.org

What's happening in Venezuela?

Mike Lebowitz writes on the situation in Venezuela. The article is reproduced from the US Z-net site.

For some time, there has been a lot of confusion outside Venezuela about what exactly has been happening there. How could progressives and trade unionists support the Venezuelan government despite its support of the poor through land reform and income redistribution and its attack on neo-liberalism and the FTAA- given the dedicated opposition of the Confederation of Venezuelan Workers (CTV)? How, when there was a general strike, could we side with the government rather than workers? For trade union organisations, the problem has been even more difficult, given the support for the CTV by international labour organisations (including the ILO). Nevertheless, as the Canadian Labour Congress (CLC) noted in the statement issued by Ken Georgetti on 18 April last year after the defeated coup, the role of the CTV in that coup against the democratically elected government of Hugo Chavez raised serious questions about the character of the CTV and its place in the crony capitalism and sham democracy that had left 80 % of the population in poverty in an oil-rich nation.

An arm of the employers federation

Today, though, there should be no confusion. Because the CTV has been exposed as just an arm of the Fedecamaras, the Employers Association with which it has been allied in the coup and in the so-called general strike. A strange general strike, indeed. One in which workers in the oil industry (blue collar), electricity, transport, public sector, basic industries and the subway, among others, kept working. One in which workers were laid off by the conglomerates, the monopolies and Transnationals and told that they would get full pay for the period of the lock-outs, only now to discover that this promissory note was dependent on the companies defeating the Chavez government. They are being offered half-pay, loss of vacations, etc... and those that protest? They're in the queues at the Ministry of Labour filing complaints over their dismissals.

Make no mistake about it, this so-called general strike was a capitalist offensive, supported by the US and its clients, against the Chavez government. Its immediate effect has been an enormous blow to the economy because of the loss of oil revenues for several months as the

result of the sabotage (economic, technical and physical) of PDVSA, the national oil company, and also because of the tax revenue losses resulting from the lockouts and a tax strike by the companies. The resulting 'Opposition Deficit' will make this year a difficult one under any circumstances but particularly so in the attempt to meet the enormous needs of the Venezuelan people.

Yet, a longer term effect of this offensive by Venezuela's oligarchy has been the increase in the consciousness of the poor (most of them in the informal sector) and organised workers. There is a mood among workers of self-confidence, one which emerged when the workers in PDVSA ran the company by themselves after the management and technicians abandoned it. In workplace after workplace, workers are talking about auto-gestion and co-gestion, about taking over and running their enterprises as cooperatives (as is occurring in the Sheraton Airport Hotel and was the subject of discussion among the workers in the hotel in Caracas where I was staying). PDVSA itself now has two representatives of its workers in its management, and an associated firm in petrochemicals is being run as a cooperative. In particular, the take-over of enterprises by workers is occurring when the owners threaten to shut down, in one case occurring as the workers decided to prevent the removal of machinery. This process is just beginning, but it looks like capital has lost one of its major weapons, its ability to threaten a capital strike. Rather than giving in, Venezuelan workers are moving in.

National Union of Workers launched

There is another significant aspect of this new consciousness among workers, which is why there should be no longer any confusion about the CTV and its role in the Venezuelan working class. Yesterday (29 March), a new labour federation was formed, the National Union of Workers (UNT), which has been described as a 'classist, national and revolutionary' union. This new federation has emerged as the result of a long process of discussion which began last July among the Bolivarian Workers Force (FBT), the workers movement fully aligned with the Chavez government and with the Bolivarian movement active among the poor in the Bolivarian Circles, and independent unions (both in and outside the CTV) that are not 'Chavist' but which support the general direction of the government. (This latter group includes in particular the steel workers, subway and

petroleum workers.) At the core of these discussions was the question of how autonomous the new federation would be in relation to the government. Now, after the last capitalist offensive, the matter has been resolved. UNT ('unity') will be independent, class-oriented, democratic and revolutionary.

This new federation begins with more workers than have been nominally represented by the CTV, which will lose any credibility it has ad outside Venezuela as its member unions leave. Indeed, the petroleum workers union from which Carlos Ortega, the current head of CTV came, is itself a key union in the formation of UNT. Of course, capital does not give up so easily. Through the CIA and its various fronts such as the National Endowment for Democracy (which financed the American Center for International Labor Solidarity in its support for the CTV), the opponents of 'the process' in Venezuela will attempt to maintain their hold over the positions of labour federations such as the AFL-CIO, international labour federations like the ICFTU (International Confederation of Free Trade Unions) and the ILO.

International Solidarity

This is why it is especially important now for progressives and trade unionists to inform themselves of what is happening in Venezuela and in the Venezuelan workers movement. A 'Bolivarian Forum' will be taking place in Caracas on the anniversary of the defeated coup. Take a look at those topics for discussion at the Forum, and you'll get the sense that something quite significant is happening in Venezuela and that this occasion to demonstrate international solidarity with this process which has been scrupulously democratic and constitutional will be quite unique. During this period there will also be a conference for trade unionists organised by the Bolivarian Workers Force (FBT). The themes of these meetings will be worker solidarity and the struggle against globalisation and neoliberalism.

No one in Venezuela thinks the struggle is over, not when the stakes are so high. Caracas on 10-14 April offers an opportunity to show solidarity with the most significant movement happening right now in the Americas and to inform yourselves so you can battle effectively against the enemies of this process (who are the enemies of anything similar elsewhere).

French strikes against attack on pensions

SSP member Murray Smith reports from Paris on the strike wave against proposals to 'reform' the pensions system. The article is reproduced from the Australian magazine, 'Green Left Weekly'.

The May 13 strike, the largest since 1995, was in response to the government's plan to make it harder for workers to retire on a full pension. Under the plan, employees would have to work for 42 years (up from 40 years in the private sector and 37.5 years in the public sector) before being entitled to a full pension.

A one-day strike on May 19 was also a success. Although it mainly involved the public sector and was prepared on the scale of May 13, 800,000 demonstrators took to the streets in 70 cities.

The government's success in splitting the trade union movement, by persuading the second biggest union, the CFDT, to accept the pension plan has turned out to be a Pyrrhic victory. It has hardened the attitude of the other unions, who are all calling for a mass demonstration on May in Paris.

Meanwhile, the opposition to the deal within the CFDT, which is stronger than the leadership expected, has made it clear that it will continue to campaign against the plan. In the militant Marseilles region, local unions, including the CFDT, have called a one-day strike for May 27 the day before the French cabinet is expected to adopt the pension plan.

A strike by teachers is continuing. For weeks, the government and the capitalist media have tried to black-out news of the scale of the teachers' strike, claiming it was faltering when it was spreading. At the same time, they tried to ignore mounting protests over the pension "reforms".

But now there is a whiff of panic in the air. The press is full of articles about the "crisis in education" and even the "social crisis". Raffarin is haunted by the example of the November-December 1995 strikes, which broke the back of the right-wing government of Alain Juppe. He is faced with a potentially bigger crisis. Polls show that a majority opposes the pension plan and supports the strikes (72% of public sector workers and 46% of private sector workers say they are ready to take part in strikes and demonstrations).

Speculation is rife that the government will make concessions to the teachers, in

order to hold the line on pensions. At one point, that might have defused the teachers' movement. But it may be too late.

The CGT trade union federation is maintaining its threat of a general strike from June 3 if the pension plan is not withdrawn. Rail and public transport workers' unions have already called an unlimited strike from that date. The Force Ouvrière confederation called for turning the May 27 strike in Marseilles into a national strike.

The Raffarin government is under siege but not yet beaten. As the Paris daily *Liberation* put it, the unions and the government are engaged in a "conflict with no emergency exit". Whatever happens, the outcome of the present confrontation will determine the relationship of class forces and the political climate in France for some time to come. It is beginning to look as if it won't be to the advantage of the government and the employers.

(Since the article was written the strikes have continued, with an estimated 600,000 demonstrating in Paris on May 25th. In some sectors efforts are underway to build an indefinite strike from June 2nd.)

Brazil - PT suspensions

The Brazilian PT (Workers Party) has suspended two members of the lower house (Joao Fontes and Luciana Genro) after they released a videotape of Lula (now the President) in which he is seen to denounce some of the policies which he is now implementing.

"The (Worker's Party's) prompt response against them is a further indication that the party's tolerance toward the radicals is running low and further demonstrations of defiance will be dealt with accordingly," said investment bank Dresdner Kleinwort Wasserstein in a recent report.

The immediate cause of their opposition was Lula's pension reform proposal, which would slash and tax benefits for retirees who worked for the state and increase the retirement age. Investors view the reform as a critical step toward putting the government's finances, which includes a \$250 billion debt, in order. It is so important to Lula that he personally delivered it to Congress last month.

Already, three congressmen have been called to appear before the party ethics committee to account for their actions. "It's not just that they say they're not going to vote (for the reform). It's a group of things they have done the last months that

characterize a break with the party," a high-placed source at the party told Reuters.

"If anyone is disrespecting the party, it isn't us," said Joao Batista Oliveira, a congressman from Para state, one of those scheduled to go before the ethics committee next month. "We can't say one thing to workers during the election and do another when we are governing."

The PT originated as an anti-capitalist party based on the unions and working class communities. But for a long time its leadership has moved slowly to the right. The direction of the government will sooner or later clash with the aspirations of the working class base of the PT, faced with the reality of the programme of the Lula government.

At the time of writing news has just emerged of a pact between Lula and the PMBD, one of the mainstays of the previous government, to tackle the country's debt. Sadly we don't mean refusing to pay it.

We will carry an article on Brazil in the next issue of SOLIDARITY.

Israel - "A great miracle"

Histadrut has abandoned the general strike called in response to massive cuts by the government. According to Histadrut leader Amir Peretz "a great miracle for the people of Israel" occurred during his six hour session with Binyamin Netanyahu. A conversion on the road to Damascus? Note quite.

Peretz, drunk with success, insisted the agreement "represented a triumph for democracy". Treasury officials withdrew their threat to cancel collective bargaining agreements. "There will be no dictatorship in Israeli democracy. There will no legislation on labour agreements." All Peretz had to do was capitulate.

According to the agreement, public sector salaries will be cut by NIS 2 billion in 2003 and a similar amount in 2004. According to Haaretz this represents around 80% of the treasury's original. In return for this miracle the Histadrut leaders merely agreed to a 2 year wage freeze. Go back to work, said Peretz.

Sadly Peretz will now have to negotiate a second miracle, since there is no agreement on the proposed pension changes which the government is planning to introduce.

BECTU to ballot members on Labour link

Delegates at Broadcasting union BECTU's conference have voted to ballot union members on whether or not to maintain the affiliation to the Labour Party. The following resolution was carried against the advice of the union Executive.

Proposition 14/03 (AP22) Political fund
 That this annual conference notes that the Labour government: is involved in an increasing number of confrontations with public sector workers seeking better pay and conditions; is continuing to pursue policies of privatisation and cuts, and ignoring popular demands for return of services such as the railways to democratic control; has failed to improve educational standards while making it harder for working people to get access to a full education; has continually sought advisors from the ranks of wealthy employers, rather than from representatives of the unions that fund the Labour Party.

Conference therefore instructs the National Executive Committee: to look for alternative electoral organisations and individuals that are prepared to represent the interests of union members in Parliament; to report to members on what such organisations and individuals exist; to offer members the chance to vote on whether BECTU should continue with affiliation to the Labour Party or should open up its political fund to support those organisations and individuals that better represent our members whether on a national or local level.

The vote produced a 61 percent majority in favour, with delegates casting branch votes of 9,165 votes for and 5,960 against.

Amicus MSF votes for "Agenda for Change" pilots

An MSF-Amicus member writes.

The AFC ballot result for Amicus MSF was announced on Friday - 78.9% 'Yes' and 21.1% 'No'. Like Unison, we have a '2 ballots' position. Our leadership wanted a single ballot, but gave up the idea when they realised they would probably lose outright. Today's vote is not a vote in favour of AFC. It is a vote to allow Early Implementer sites and the 3 year pay deal to proceed.

This is hardly a ringing endorsement of AFC - given the completely one-sided

material put out by the union leadership, coupled with the fact that a 'Yes' vote was the only way of getting a pay increase this year. Over one in five members were sufficiently well-informed to know just how damaging AFC will be to healthworkers. The relatively high 'No' vote is a tribute to the integrity and hard work of activists around the country.

AFC remains an absolute disaster for Amicus members. The skills of specialist community nurses are simply not recognised. The problems of on-call for pathology staff look less and less likely to be satisfactorily resolved. Job profiles for Medical Technical Officers are non-existent. Speech and language therapists, clinical psychologists and pharmacists continue to face substantial cuts in pay. The hours increase, the competency pay and the drive to flexible working and skill mix are now part of the package - they cannot be amended by the Early Implementer experience.

The fight against AFC is clearly not over. In Amicus, we need to ensure that the union provides honest information around Early Implementers. We will have to fight to ensure that the second ballot actually happens. We will need to campaign hard for a 'No' vote in the second ballot. Building links across our unions will be a vital part of defeating Agenda for Change.

East London Health workers strikes

From the UNISON Branch Secretaries
 Dear sister/brother;

I am writing on behalf of healthworker members employed by ISS MediClean and Medirest who are taking strike action for a living wage and against the two-tier workforce.

Our branches are urgently appealing to you for solidarity donations on behalf of the workers, most of which are new to trade union organisation and have never taken part in industrial action before. They include hospital cleaners, porters, caterers, transport, security and stores workers. Working in the east London NHS at Whips Cross, Homerton, St. Clements and Mile End hospitals', these workers earn as little as £4.42p per hour with inadequate sick pay and no pension rights. They receive no enhanced pay for overtime working and inferior conditions to their NHS colleagues doing the same jobs. Mostly women, working upwards of seventy hours per week, often with two or three jobs, these workers have already overcome much including fear, language and reading difficulties, to arrive at up to ninety six percent majorities for strike action.

Now, the future success of their struggle depends on the huge reserves of support and money that both UNISON and the wider movement can deliver. Unisons East End health branches, in organising the most exploited and oppressed layers in society, are transforming the east London labour movement and advancing our aim of a fully funded and resourced NHS. I thank you for your generous support and solidarity.

Yours Fraternally,
 Len Hockey
 Joint Branch Secretary, Waltham Forest Health Branch.

Please contact us to send us a message of support or to invite a speaker to your union meeting:

Len Hockey (Whipps Cross Hospital)
unisonunion@tiscali.co.uk
 020 8535 6496
 Jim Fagan (Mile End/St Clements Hospital)
Jim.Fagan@thpct.nhs.uk
 07958 924 655
 Mike Bold (Homerton Hospital)
mikeboldcp@ukonline.co.uk
 07968 045 444

All cheques should be made payable to **The East London Healthworkers Solidarity Fund.**

Please send to:
Jim Fagan, Unison Branch Secretary, Unison Office, Mile End Hospital, Bancroft Road, London E1 4DG

CWU election

Another Blairite has lost a union election. John Keggie, assistant general secretary has been defeated by Dave Ward by 19,404 votes against 16,814. Dave Ward said:

"It's a mandate for change in the union and a mandate for the way we deal with the Labour party."

It's a mandate for us to represent the views of members when we deal with the Labour party - rather than represent the Labour party when we deal with our members."

The campaign was particularly acrimonious with Ward accusing the Post Office of favouring Keggie, a man identified with the 'partnership' agreement, "The Way Forward".

To read Dave Ward's views, visit:
www.votefordave.co.uk

Scottish Socialist Party election success

The Scottish Socialist Party's profile was greatly heightened by the presence of Tommy Sheridan in the Scottish Parliament. Sheridan was able to end warrant sales (of people's goods when unable to pay council tax) and was a regular in the mass media. The election of 6 MSPs has killed off the "one man party" label and provided the SSP with a stronger base to pursue the interests of the working class. They also have the possibility of winning support for their proposals from the 7 Green MSPs and a number of independents who ousted the main party candidates. They haven't wasted any time.

UNISON activist **Carolyn Leckie**, one of 4 women MSP's elected on the SSP (the SSP voted to place women on the top of their regional lists in 50% of the regions) slate has said:

Working class women

"I think it is important that it is four women, but I think that it is more important that it is four working-class women who are not on the career ladder and will be in there fighting for working-class women who are struggling to put a power card in their meter this weekend, who are struggling for childcare, their fertility; struggling in the jails. We will be raising all these issues and there will be a voice for working-class women in that parliament.

We are four strong women - we're not frightened and we won't be intimidated by some of the attacks that have already been mounted on our appearance or personalities, which only women tend to get. It is bouncing off us because we have come through struggles and we are well prepared for it."

One of her first actions was the moving of a motion in the Scottish Parliament in support of 5,000 nursery nurses who have voted overwhelmingly in favour of industrial action. The motion calls for the parliament to support regrading from their current maximum of £13,800 after eight years service to £17,000.

Repeal prescription charges

Meanwhile newly elected MSP Colin Fox revealed plans for a Bill in the Scottish



Parliament to repeal prescription charges for medicines, currently £6.30 an item. "It's a lot of money, especially for people who are chronic sufferers and find they need two or three prescriptions at a time," he said. "It's an enormous burden for many people having to find the cash for inhalers or tablets which they need just to keep going. People are prescribed medicine because they need it to get better and they should not have to pay for that."

The Labour administration in the Welsh Assembly was elected earlier this month - with an increased number of seats - on a

pledge to scrap prescription charges for all. Welsh Labour leader Rhodri Morgan said the charges often acted as a disincentive to work, forced many to go without drugs and placed extra burdens on the health service.

Although the new Labour/Liberal coalition government in Scotland has pledged to introduce free eye and dental checks, the 'partnership agreement' promises only a review of prescription charges for people with chronic health conditions and young people in full-time education or training.

The SSP needs 12 MSP to launch a Bill, a figure which should be easy with the 17 SSP/Greens/Independents present now.

Free school meals

The SSP will also be endeavouring to bring forward a new bill aimed at giving free school meals to every child. They failed to gain support for this proposal in the last parliament. A commitment to delivering nutritious meals and free milk or drinking water for pupils was one of the SSP's core manifesto pledges. The plans are backed by health and poverty campaigners, trade unions and some church groups and are estimated to cost about £174m a year.

New MSP Rosie Kane, who is introducing the bill, claimed it would be a travesty if the parliament was to reject the plans a second time. She said: "It's about so much more than nutrition and health; it's about inclusion, it's about lifting stigma, and it's about equality."

Tommy Sheridan said the measure would help about 100,000 children whose parents were the "working poor" and who did not qualify for the free meals.

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